

AMENDED IN ASSEMBLY JUNE 15, 2006

AMENDED IN ASSEMBLY JUNE 8, 2006

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1376

Introduced by Senator Chesbro

February 21, 2006

An act to amend Section 12785 of, and to repeal and add Section 12759 of, the Government Code, relating to the Community Services Block Grant Program.

LEGISLATIVE COUNSEL'S DIGEST

SB 1376, as amended, Chesbro. Community Services Block Grant Program: funding.

Under the Community Services Block Grant Program, a community action agency is a public or private nonprofit agency that fulfills specified requirements, including being recognized by the Department of Community Services and Development as a community action agency. Among the functions of a community services agency are planning for and evaluating the community action program, including developing information as to the problems and causes of poverty in the community and determining how much and how effectively assistance is being provided, and initiating and sponsoring projects responsive to the needs of the poor that are not otherwise being met. Existing law sets forth a method for allocating federal assistance to agencies.

This bill would revise the method by which federal assistance is allocated to agencies to establish a base amount for each agency that increases, as provided, and to provide for additional allocations. If the

amount of federal assistance declines by more than 20% below the 2005 federal fiscal year amount, the bill would require the Director of Community Services to convene the network of agencies receiving grant funds to determine whether changes to the allocation system should be contemplated and referred to the Legislature for consideration.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12759 of the Government Code is
2 repealed.

3 SEC. 2. Section 12759 is added to the Government Code, to
4 read:

5 12759. (a) For the purposes of this section, the following
6 terms have the following meanings:

7 (1) "Agency" means a community action agency, limited
8 purpose agency, or other organization that qualifies as an eligible
9 entity pursuant to this chapter and that receives financial
10 assistance from the total program funds, as defined in paragraph
11 (2).

12 (2) "Total program funds" means the ~~Federal~~ *federal*
13 Community Services Block Grant funds that remain after the
14 amount reserved pursuant to subdivision (b) is set aside.

15 (3) "*Uncapped program*," means a program that receives
16 Community Services Block Grant funds but is not designated as a
17 community action agency.

18 (b) The director shall allocate ~~Federal~~ *federal* Community
19 Services Block Grant funds consistent with the following
20 principles:

21 (1) The historic distinction between minimum and
22 nonminimum funded agencies and other eligible entities shall be
23 minimized and eventually eliminated.

24 (2) After the target allocation point as set forth in subdivision
25 (c) is achieved, allocation adjustments shall treat all agencies
26 equitably and without regard to minimum funding levels.

27 (3) If federal Community Services Block Grant funding is
28 reduced or increased, funds shall be allocated so as to avoid
29 abrupt changes in current allocations.

1 (c) For each fiscal year, the director shall first reserve from the
2 annual federal Community Services Block Grant all amounts that
3 federal or state law allows or requires to be set aside for
4 statewide activities consistent with the purposes of the
5 Community Services Block Grant, including, but not limited to,
6 training, technical assistance, monitoring, coordination, and
7 administration.

8 (d) (1) The goal of this section is to achieve a target allocation
9 point for each agency. The target allocation for each agency,
10 except uncapped program agencies, shall be either two hundred
11 fifty thousand dollars (\$250,000) or the amount the agency
12 received from the 2005 federal Community Services Block Grant
13 award, whichever is greater. The target allocation point for each
14 uncapped program shall be the amount it received from the 2005
15 federal Community Services Block Grant award. An agency with
16 a target allocation point equal to the amount received from the
17 2005 federal Community Services Block Grant award shall have
18 its target allocation point further adjusted pursuant to paragraph
19 (6).

20 (2) The director shall first assign an initial base allocation for
21 each agency, except an uncapped program agency, that shall be
22 equal to either one hundred seventy-three thousand five hundred
23 fifty-six dollars (\$173,556) or the amount the agency received
24 from the 2005 federal Community Services Block Grant award,
25 whichever is greater. The director shall assign each uncapped
26 program agency an initial base allocation that shall be equal to
27 the amount the agency received from the 2005 federal
28 Community Services Block Grant award even if it is less than
29 one hundred seventy-three thousand five hundred fifty-six dollars
30 (\$173,556).

31 (3) From the 2007 federal Community Services Block Grant,
32 the director shall begin by allocating the initial base allocation to
33 each agency. If the total program funds available that year are
34 more than the amount required to fulfill the initial base allocation
35 for all agencies, the allocation shall be adjusted pursuant to
36 paragraph (4). If the total program funds available that year are
37 less than the amount required to fulfill the initial base allocation,
38 the allocation shall be adjusted pursuant to paragraph (5).

39 (4) Commencing with the 2007 federal fiscal year, if there is
40 an increase in total program funds in any federal fiscal year

1 before the target allocation point is achieved, the additional funds
2 shall be allocated as follows:

3 (A) First, each agency that is not an uncapped program agency
4 whose prior year allocation was less than two hundred fifty
5 thousand dollars (\$250,000) shall have its allocation increased
6 until each of those agencies reach the target allocation point of
7 two hundred fifty thousand dollars (\$250,000). The allocations to
8 these agencies shall be prioritized initially to the lowest funded
9 agencies to enable their allocations to, as much as the funding
10 increase allows, float up toward the second lowest funded
11 agencies, and then to this collective group of agencies to enable
12 their allocations to float up toward the next lowest funded
13 agencies, and so on until all of these agencies reach the target
14 allocation point of two hundred fifty thousand dollars
15 (\$250,000).

16 (B) Second, once the target allocation point of two hundred
17 fifty thousand dollars (\$250,000) is reached pursuant to
18 subparagraph (A), additional funds shall be allocated
19 proportionately among each of the agencies, including uncapped
20 program agencies whose target allocation point equals the
21 amount the agency received from the 2005 federal Community
22 Services Block Grant award, in order to bring its prior year
23 allocation back up to the target allocation point if it was
24 previously reduced pursuant to paragraph (5).

25 (C) Third, if there are some total program funds remaining
26 during the same federal fiscal year when the target allocation
27 point for all agencies is reached, the remainder shall be allocated
28 to each agency in an amount that bears the same relationship to
29 the total amount of the remainder as the number of persons living
30 in households at or below the poverty level in each agency's
31 respective service area bears to the total number of those persons
32 living in the state, as reported in the most recent available
33 decennial census.

34 (5) Commencing with the 2007 federal fiscal year, if there is a
35 decrease in total program funds in any fiscal year before the
36 target allocation point is reached, the reduction shall be allocated
37 as follows:

38 (A) First, the reduction shall be subtracted proportionately
39 from the prior years' allocation of each agency whose initial base

1 allocation was greater than two hundred fifty thousand dollars
2 (\$250,000).

3 (B) Second, no agency shall have its current year allocation
4 fall below the current year allocation for any other ~~second~~ agency
5 where the ~~second~~ *other* agency's initial base allocation was less
6 than the first agency's allocation. If the reduction in total
7 program funds is greater than can be absorbed among the
8 agencies whose initial base allocations were greater than two
9 hundred fifty thousand dollars (\$250,000), the reductions shall
10 also be applied proportionately among any other agencies
11 necessary to maintain this rule.

12 (C) Until the target allocation point is reached for all agencies,
13 an agency that is not an uncapped program shall not have its
14 current year allocation fall below one hundred seventy-three
15 thousand five hundred fifty-six dollars (\$173,556). At the
16 discretion of the director, federal Community Services Block
17 Grant discretionary funds may be used for this purpose.

18 (6) If a new decennial census is reported before the target
19 allocation point is achieved, the director shall first adjust the
20 relative allocation among each of those agencies whose initial
21 base allocation was equal to the amount it received from the 2005
22 federal Community Services Block Grant award by the
23 percentage difference of the number of persons living in
24 households at or below the poverty level in each agency's
25 respective service area as compared to the number of those
26 persons reported in previous decennial census, except that an
27 agency that is not an uncapped agency shall not have the
28 adjustment pursuant to this paragraph reduce its current year
29 allocation below the current year allocations of the lowest funded
30 agencies pursuant to subparagraph (A) of paragraph (4). All
31 allocations made pursuant to paragraphs (4) and (5) shall take
32 this census-based adjustment into account.

33 (e) (1) Commencing with the first federal fiscal year after the
34 target allocation point is reached, increases and decreases in total
35 program funds for each federal fiscal year shall be
36 proportionately allocated among all agencies relative to the prior
37 year's allocation.

38 (2) When each decennial census is reported, allocations made
39 pursuant to this subdivision shall also be adjusted by the
40 percentage difference of the number of persons living in

1 households at or below the poverty level in each agency's
2 respective service area as compared to the number of these
3 persons reported in the previous decennial census, except that an
4 agency that is not an uncapped agency shall not have the
5 adjustment pursuant to this subdivision reduce its current year
6 allocation below two hundred fifty thousand dollars (\$250,000).

7 (f) It is the intent of the Legislature that the allocation formula
8 specified in this section not be used as a formula for other
9 funding distributions.

10 SEC. 3. Section 12785 of the Government Code is amended
11 to read:

12 12785. All Community Services Block Grant funds made
13 available by the Congress shall be used by the state, together
14 with any state funds as may from time to time be appropriated for
15 this program, and any funds as may be transferred to this
16 program from other federal block grants, in accordance with the
17 annual Budget Act.

18 No transfer of funds is permitted, under any circumstance,
19 from the California Community Services Block Grant Program to
20 any other block grant or program administered by the state or by
21 the federal government.

22 If diminished federal appropriations for the Community
23 Services Block Grant result in California's share for any fiscal
24 year being reduced by any amount up to 3.5 percent below the
25 amount of the federal appropriation from the prior year, the
26 director shall use the discretionary fund to proportionately restore
27 Community Services Block Grant grantees and contractors to full
28 funding levels.

29 If diminished federal appropriations for the Community
30 Services Block Grant result in California's share for any federal
31 fiscal year being reduced by a cumulative amount of 20 percent
32 or more below the amount appropriated in the federal
33 Community Services Block Grant in the 2005 federal fiscal year,
34 the director shall convene the network of agencies receiving
35 grant funds to determine whether changes to the allocation
36 system should be contemplated and referred to the Legislature for
37 consideration.